REMARKS

This paper is responsive to the nonfinal Office Action mailed May 16, 2008. Claims 92–104 have been cancelled and claims 105–115 have been added. Applicant requested and was granted on Feb. 28, 2008, a Request for Continued Examination. All fees required under 37 C.F.R. § 1.17(e) have been timely paid and accepted.

The rules state that once claims are finally rejected, "applicant cannot, as a matter of right, amend any finally rejected claims, add new claims after a final rejection, or reinstate previously cancelled claims." MPEP § 714.03.II. The Examiner had discretion to enter the amendment. The Examiner has exercised that discretion.

The rules do contemplate amendment using an RCE. MPEP § 714.03.II.C. The policy behind this rule is to allow continued prosecution/amendments that will remove issues for appeal and/or adopt the examiner's suggestions. Ninety-one claims were filed originally, and 47 claims were rejected and were pending. Applicant replaced these 47 claims with 12 claims in an effort to remove issues for appeal and simplify prosecution. A Request for Continued Examination was filed in a timely fashion to expedite prosecution.

As a reminder, Applicant is allowed to amend claims before or after the first examination of claims. MPEP § 714.I.A. Claim amendments, when supported by the specification, cannot be restricted in scope. 37 C.F.R. § 1.121(c). Applicant can cancel claims and add new claims as long as the fee

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is timely paid and the proper amendment presentation is followed. MPEP § 714 citing 37 C.F.R. § 1.121(c).

Applicant understands that some restrictions do apply to such amendments, First, Applicant cannot cancel all claims without inserting new claims, MPEP § 714.01(e),III.A. Accordingly, Applicant has cancelled all claims and presented a new claims fully supported by the specification. Second, new claims cannot be entered or allowed unless an attempt is made to point out the patentable novelty. MPEP § 714.04. Applicant has provided novelty support in the Request for Continued Examination in the remarks. See 2/28/08 Office Action Response. Finally, Applicant's reply under 37 C.F.R. § 1.113 must not unduly interfere with the preparation of the Examiner's Office Action. MPEP § 714.01(e).B.

The Examination Manual even provides the Examiner with guidelines when disapproval of amended claims is appropriate or inappropriate. MPEP § 714.01.(e).B.1-2. With great clarity, the Examiner argues that the newly presented claims are directed to a new class of invention that eventually may require a new search of the art. The Examiner explains that these newly presented claims would have been restricted if presented earlier with the cancelled claims because they relate to a method.

Applicant respectfully disagrees and traverses the rejection but has amended the system-based claims with all of the limitations and restrictions of the newly presented claims with the novelty as described on February 28. 2008. Claims 92-104 are cancelled and presented as new claims 105-115.

which are drafted to include all of the structure of previously presented claim 50. Since Applicant was of the opinion that previously presented claim 50 was allowable for the reasons articulated before, the newly amended claims are also allowable for the same reasons incorporated fully herein. Applicant has also provided in the previous response reasons why the newly added claims were patentable over the cited art. These claims were merged into what was previously presented as claim 50, and these arguments are also incorporated fully herein.

To help the Examiner in his review, if claim 105 is compared with claim 50 as filed on September 11, 2007, the underlined language (mostly from previously presented and cancelled claim 92) would be added:

105. (New) A payment system to minimize capital infrastructure required to enforce parking regulations, and to receive payment pursuant to said regulations, said system comprising the following components in addition to a vehicle, a parking space and a parking location:

a communications means adapted to be used by the occupant of said vehicle of said parking space to communicate to a central processing means, and to register the communication means with the central processing means;

a reference identifier located with said vehicle that has a wireless communication means, the reference identifier moved into said parking space where the vehicle is parked and displayed on the vehicle at the parking space;

a wireless ticket issuance device used by enforcement personnel to communicate with the central processing means;

a parking meter associated with each parking space including a wireless means to transmit, receive and process information;

said parking meter facilitating communication with said communications means, said wireless ticket issuance device, and said reference identifier, said parking meter being programmed with a processing means to credit said central processing means with payment received by said reference identifier wireless communications means:

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said central processing means including at least one microprocessor, and a communication interface that facilitates communication with said communications means, said wireless ticket issuance device, and said parking meter;

said microprocessor being programmed with a processing means to credit said central processing means with payment received by said parking meter from said reference identifier wireless communication means;

to credit said parking meter with credit from said communication means;

to record a time said reference identifier wireless communication means activates said parking meter in a geographical location and communicate the status of said time of said parking meter to said wireless ticket issuance device.

to record a time said reference identifier wireless communication means activates said parking meter and to communicate the status of said time of said parking meter to said occupant communication means;

to record ticket information received by said wireless ticket issuance device when said time is not validly associated with said geographical location and said reference identifier; and

to inform and prompt the communication means upon expiration of said time if more time is desired by entering time to credit said parking meter with additional credit from said communication means.

wherein the communications means provides the central processing means with a <u>communication means</u> number or a password, the reference identifier number, and a location code associated with the geographical location for association in a central billing database, wherein the communication means number and the reference identifier assigned by the central billing database are activated and recorded in the <u>central database</u> and the <u>communication means number is charged for parking by the central processing means</u>.

Accordingly, Applicant submits all claims are in condition for allowance, and such action is earnestly solicited. The Commissioner is hereby authorized to charge any underpayment or credit any overpayment to Deposit Account No. 22-0259 or any payment in connection with this communication, including any fees for extension of time, that may be required. The Examiner is also invited to

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call the undersigned if such action might expedite the prosecution of this application.

Respectfully submitted,

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